

two or three percent of its GDP, we in the United States have shown that democracy can go hand-in-hand with fiscal responsibility.

As for middle-class families, middle-class families deserve and need a tax cut. We voted for one in 1997, and I hope to provide targeted tax cuts for middle-class families and be part of providing that today.

As this chart illustrates, middle-class families will benefit just as much or more from a reduction in interest rates as they will from the tax cuts that are being proposed. This chart demonstrates that even with an average-priced home, and they are twice as expensive in my district, the savings is \$1,860 from a fiscally responsible budget.

#### WITH BIPARTISAN FISCAL RESPONSIBILITY ALL THINGS ARE POSSIBLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I must tell the Members that I have been very encouraged by the last two speeches from our Democratic friends talking about the need for fiscal responsibility. I really do believe that despite the fact that the chattering classes on TV every night talk about how this Republican Party is getting brutalized by the polls in the area of public opinion, I have to tell the Members that I am very encouraged, because it appears that we have won the debate. To hear Democrats talking about fiscal responsibility in 1999, talking about the deficit, talking about staying away from tax increases, these are the very things that got me to Washington in 1994.

I remember back in 1993 when the new President, who was elected by promising to reduce the deficit by cutting spending and cutting middle class taxes, came forward and he increased taxes, and actually gave us one of the largest tax increases in the history of this country.

I ran because of that, and I have to tell the Members, when I ran in 1994 I talked about the deficit. I talked about the need of cutting the deficit, cutting spending, reducing the size of Washington, and creating an explosive economy that would lift all boats.

What happened? In 1994 when I came to town we had deficits approaching \$300 billion. Now, of course, we are moving towards a true surplus. In 1994 interest rates were about 3 percent higher. The last gentleman who spoke, who I agreed with, the last gentleman who spoke talked about how in 1997 they came up with a budget plan that would balance the budget by the year 2002.

Actually, I remember when we got here in 1994 and we were sworn in. In early 1995 the chairman of the Committee on the Budget, the gentleman from

Ohio (Mr. JOHN KASICH) invited the Fed chairman Alan Greenspan to come and testify on Capitol Hill about the long-term effects of balancing the budget, under our plan of balancing it by 2002.

Alan Greenspan looked at the gentleman from Ohio (Chairman KASICH) and said, "If you only have the political courage to move forward and balance the budget by 2002, we will see the fastest peacetime economic expansion since the war."

What was the President's response? The President, who now talks about how he is this great fiscal disciplinarian, the President came out in 1995 and said balancing the budget by 2002 would destroy the economy, would wreck all the economic growth that we were fighting for.

I do not say this to say that the Republicans exclusively are responsible for this strong economy, or the fact that we are now playing surplus politics, because really, there is enough credit to go around.

What I am saying is there is a danger of us sitting here today in 1999 and rewriting history. There is a danger that we forget just how hard we had to fight this President, who was willing to veto every appropriation bill, shut down the government, turn around and blame it on us, because he said our plan to balance the budget by 2002 would destroy the economy.

Let me tell the Members, history has shown that we were right, and that, more importantly, Alan Greenspan's prediction in 1995 was correct. At the same time that the President was saying that balancing the budget in 7 years would destroy the economy, the Fed chairman was saying, "Go ahead. Do it. Damn the political torpedoes. Take that opportunity to balance the budget. The markets will respond."

As the last gentleman said, they have responded. Interest rates continue to fall, the stock market continues to explode, and the great news is that unemployment among minorities is dropping to a record low. Unemployment across the country is dropping to record lows. Again, I see this as a very, very positive sign that all the things that we fought for in 1995 were really worth fighting for.

I have to tell the Members, these past two Members who spoke are people who came after 1995 and 1996, and when they team up with other conservative Democrats to join up with those of us that believe the deficit and the long-term debt really is a drag on the economy, I think that all things are possible as we go into this new century. Again, I am very, very encouraged.

#### IMPORTANT CHOICES: HOW TO USE EMERGING SURPLUSES IN FEDERAL GOVERNMENT FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Florida. Mr. Speaker, I want to talk today about a very important choice before the Congress and before the United States. It has to do with how we use the surplus that has developed in the social security trust fund, and in the years ahead, the surpluses that will begin to develop elsewhere in the Federal Government if this economy continues to be as healthy as it has been.

I support the President's position that we take the lion's share of this surplus in the social security trust fund and use it to pay down the debt. Those of us who serve on the Committee on the Budget have the job to begin to sort through the fine print on this.

What is becoming clear is what the President has proposed is balanced. What the President has proposed is that as we pay down the debt, we will be protecting social security for the retirement of the baby boomers in the future. We will be protecting Medicare for the future as well.

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The position that we should be taking, the balanced position we should be taking is, if we want additional spending as a Democrat or Republican for education or other programs, we find a place to cut the Federal budget to fund that, but do not use the surplus. Let us pay down the debt first.

If we want to cut taxes, which we should do, find a place in the Federal Government to cut spending to support that tax cut, but do not use the surplus. Use the surplus to pay down the debt. This can be done.

We did it in 1997 with the Balanced Budget Act. We enacted tax cuts of over \$90 billion by cutting spending elsewhere in the Federal Government, not relying upon the lion's share of the surplus. That should go into paying down the Federal debt.

Let me talk about the very important fact of how this benefits all of us at home. As we begin to pay down the debt, we will continue to enjoy a very healthy economy.

Alan Greenspan who has testified before the House Committee on the Budget has made it clear that, as the Federal Government borrows less and less, as more and more money is available in the private sector, interest rates will go down. Interest rates could go down as much as two additional points if we continue our course of fiscal responsibility and do as the President has advocated, use the lion's share of the surplus in the Social Security Trust Fund to pay down the debt.

What does that mean to us as the consumers? Look at the average mortgage, about \$115,000 in many parts of the country. One is paying \$844 every month on one's mortgage to keep one's home. If interest rates go down two additional points, that could mean a drop in one's monthly mortgage payment to \$689. That is \$155 in one's pocket that one did not have beforehand. One did not have to call one's accountant to